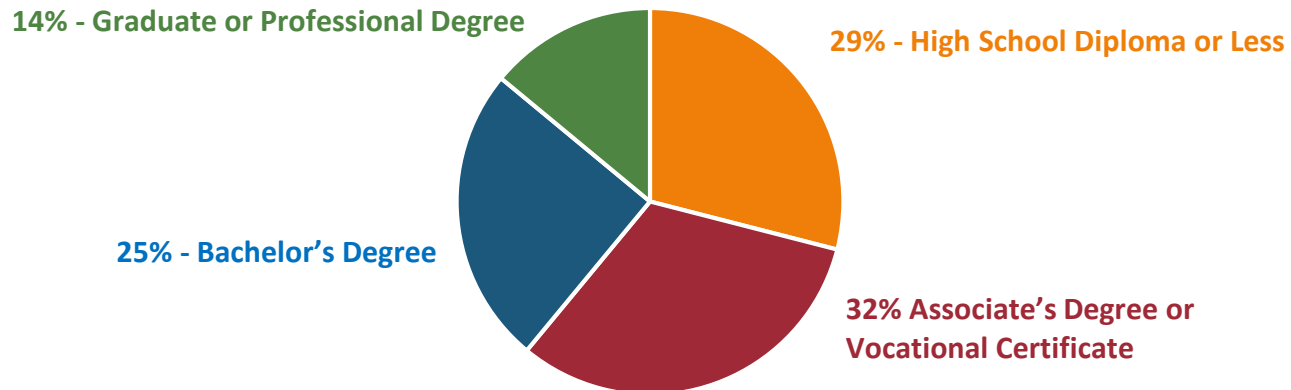


Enclosure 6c
February 22, 2017

**Rhode Island's Challenge
Presentation to the Board of Education
February 22, 2017**

Rhode Island's Challenge

- A high school education is no longer sufficient to prepare Rhode Islanders for jobs in the 21st century. Some education beyond high school is the new minimum.
- By as soon as 2020, more than 70% of the jobs available in Rhode Island are going to require some credential beyond a high school diploma:



- Less than 45% of Rhode Islanders meet that benchmark right now.

Our challenge is to move our state's educational attainment up and make sure that every Rhode Island student who is willing to work hard has equal access, regardless of income.

Principles: In Perspective

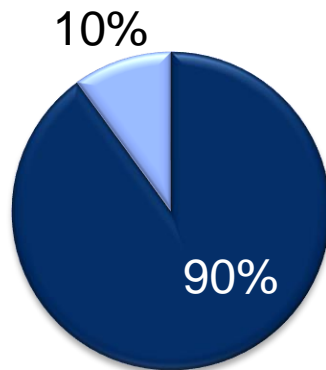
- We don't believe that everyone has to go to college. We do believe that everyone should have the **option** to choose for themselves whether or not they go.
- A college degree remains the surest ticket to the middle class.
- But even if a student wants to enter a career that doesn't require a degree, jobs in today's economy **require** some form of education beyond high school, like an apprenticeship or vocational certificate.
- We know the economic reality for those who don't:
 - They are less likely to earn a family-sustaining wage.
 - They are more likely to require public assistance and social services.

Rhode Islanders Want To Further Their Education

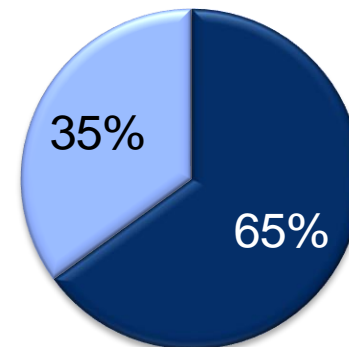
- We have an immediate need for Rhode Islanders to be able to continue their education beyond high school.
- However, the cost of attendance discourages many from attending college or prevents them from completing their course of study when they get there

RIDE surveys high school seniors every year and these surveys show:

90% of Seniors Want To Go To College

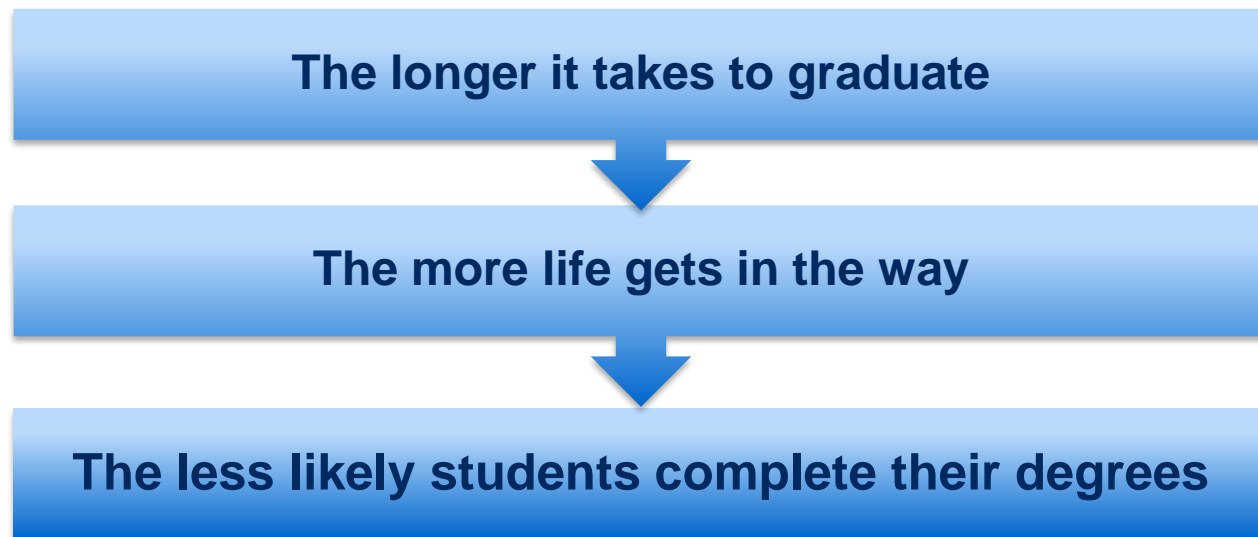


65% of Seniors Actually Do



The Problem Isn't Just Starting, It's Finishing

- Affordability matters. It affects:
 - Whether or not students go to college
 - How long they stick around once they get there
- Data also shows that time, not just tuition, is a menacing barrier to college completion



Less Than Half of Students Complete Degrees On-Time

College	Percent Completed	On-Time
URI	49%	4 years
RIC	14%	4 years
CCRI	5%	2 years

More and More Rhode Island Graduates are in Debt

More and More Rhode Island Graduates are in Debt

- Nearly **3 in 4** students take on student loans
- 84% of bachelor's degree Pell recipients must still take out loans for their degree, and over half of associate's degree Pell recipients do as well
- Recent graduates of Rhode Island colleges who have borrowed money to pay for school leave with an average student loan debt of **\$35,169** — second highest of any state

What We Have Done Over The Past Two Years

Access

- PrepareRI: rethinking the end of high school to get as many students earning college credits before they even have their diploma → 107% increase in participation in year 1
- PSAT/SAT for free

Affordability

- Rhode Island's Promise: revamping antiquated state scholarship program into a last-dollar scholarship focused on meeting the needs of more students
 - Particularly beneficial for part-time and adult learners at CCRI
 - 50% of students going to CCRI for free when combined with Pell
- Open Resources Textbook Challenge - \$5M in savings over 5 years

Relevance

- Making sure the courses of study prepare students with the skills they need to be successful in the 21st century economy
 - CS4RI: from Kindergarten through 12 and increased CS minors
 - Real Jobs Rhode Island programs at CCRI, RIC, and URI

We Need to Do More

- Education and training are the key to so much of what we want to achieve.
- It is also the key to our young people achieving their dreams.
- Any serious plan for Rhode Island's future **must include** a bold plan to put a college degree within everyone's reach.

Making post-secondary education part of a free, universal public education in Rhode Island.

Beginning with the high school graduating class of 2017:

The State will provide a free associate's degree and will cut the cost of a four-year degree in half for every student

- CCRI: free tuition and fees for two years
- RIC and URI: free tuition and fees for the junior and senior year

Who is Eligible?

Requirement	Description
Rhode Island Resident	Qualify for in-state tuition = Three-year attendance at an approved RI high school, including private and homeschool students
Enroll Fall after high school graduation	Students must receive (1) their high school diploma or (2) obtain their GED prior to the student reaching 19 years of age, and enroll the Fall semester immediately after
Complete the FAFSA	Students must complete the FAFSA to ensure maximum contribution of Pell and Financial aid dollars
New recipient	One scholarship per student. A student who receives the Promise scholarship at CCRI will not be eligible to receive a second Promise scholarship at RIC or URI
RIC and URI, be a junior	Be considered a “junior” = have earned 60 credits and have declared a major

What's the Promise?



Students

- Enroll full-time right after high school
- Stay in good academic standing (2.0 GPA)
- On-time completion

Colleges

- Provide additional supports and advising to students
- Ensure students are on a guided pathway to earn their degree on-time

State

- Two year scholarship to every student
- Free associate's degree and cutting the cost of a four year degree in half

What's the Cost?

FY	FY18	FY19	FY20	FY21
Cost	\$10M	\$13M	\$18M	\$30M

FY18 — \$10M

- **\$3M:** In scholarships for first year students at CCRI
- **\$6M:** In investments in the colleges to deliver their promise to students
- **\$1M:** For implementation to assist students with FAFSA completion, communicate with students and families, and provide additional support to high school guidance counselors

Free College – A Non-Partisan Issue



Tennessee

- Passed by a Republican Legislature and Signed by Governor Bill Haslam (R)



Oregon

- Passed by a Democratic Legislature and Signed by Governor Kate Brown (D)

Promise Programs Work

- **Kalamazoo, Michigan Promise Scholarship – 2016 Study by Upjohn Institute**

- “The Promise significantly increases college enrollment, college credits attempted, and credential attainment” with “stronger effects ... for minorities and women.”
- “The Promise effects are large, and they speak to the potential of place-based scholarship programs to be a cost-effective way of increasing earnings.”
- “Based on our results, simple and generous scholarships can significantly increase educational attainment and provide net economic benefits.”

- **Tennessee Promise – Began Fall 2015**

- Since the implementation, first-time freshman enrollment in public higher education has increased by 13%, including 30% increase at community colleges.
- Tennessee community colleges saw a 1/3rd decrease in attrition rates, with the majority of the scholarship’s first class of students re-enrolled for a second year.
- In a pilot cohort, graduation rates increased by 80%.

Return On Investment

- **Higher education levels lead to higher earnings over an individual's lifetime.**
 - Bachelor's degree recipients earn \$1 million more in their lifetime, and associate's degree recipients earn \$360,000 more, compared to high school graduates.
 - Increased earnings and education levels lead to higher tax revenues, lower unemployment rates, higher home ownership rates, growth in the number of small businesses, improvements in health, higher rates of volunteering and voting, and lower levels of criminal behavior.
- **Higher educational attainment has proven effects on regional economic prosperity.**
 - A 2013 study by the Milken Institute found that adding just one year of college to the region's workforce increases GDP per capita by more than 17%.
 - A similar analysis found that taxpayers receive \$6.80 in benefits for every \$1 invested in community colleges. "Taxpayers fully recover the cost of the original investment and also receive a return of \$5.80 in addition to every dollar they paid."

Why Not Means-Test the Scholarship?

Means-testing would leave out too many middle class families.

▪ **New York Proposal - \$125,000 income cut-off**

- A family of 3 who makes \$124K receives full scholarship, family of 6 who makes \$126K does not.
- Picture a family of four where the mom and dad are both public school teachers, each making about \$65,000 per year. Their kids would not qualify for the scholarship.

▪ **Pell Grant Recipients – only include the very low-income**

- Those who qualify for Pell are not getting their needs met, but are receiving some aid.
- The greatest need are those from lower middle class families, who just miss the Pell cut-off and who's families have very little to no savings to contribute to paying for college.

▪ **Random FAFSA EFC Number – “Expected Family Contribution”**

- Complicated algorithm that determines whether a family is “needy.”
- Middle class is not considered “needy” under FAFSA – as if the vast majority of the middle class is not struggling to pay the rising costs of college.
- A family with more than \$8,000 in bank account does not qualify for aid at RIC per FAFSA.

▪ **We don't means-test K-12, and our public schools are not filled with the kids of millionaires**

Why Not Include A GPA Requirement?

- **GPA requirements have been proven to lead to grade inflation.**
 - 3.0 GPA requirement for Georgia scholarship has led to widespread and frequent grade inflation problems and scandals.
 - Teachers don't want to be the reason a student loses their scholarship.
- **GPA requirements create a disincentive for students to take challenging courses at a time when we need more students entering advanced fields, like STEM.**
- **GPA requirements advantage higher-income and white students to the disadvantage of low-income students, students of color, and first generation college students.**
 - A student of scholarship programs in Florida and Michigan found that students in the 20% of schools in the wealthiest communities received scholarships at a rate more than twice than that of lower-income students.

Appendix: Calculations

CCRI	RIC	URI
Tuition and Mandatory Fees - \$4,564 First-Time, Full-Time, In-State – 1,169 FY18 Projected (w/ 25% growth) – 1,461 FY19 Projected (w/ 25% growth) – 2,923	Tuition and Mandatory Fees - \$8,776 First-Time, Full-Time, In-State – 792 FY18 Projected (w/ 25% growth)* – 990 FY19 Projected (w/ 25% growth)* – 1980	Tuition and Mandatory Fees - \$13,792 First-Time, Full-Time, In-State – 907 FY18 Projected (w/ 25% growth)* – 1134 FY19 Projected (w/ 25% growth)* – 2268
<u>FY18</u> \$ 6,668,004 Tuition Total -\$ 3,816,328 Pell/Federal Grants \$ 2,851,676 Funding Gap (Last-Dollar)	<u>FY20</u> \$ 8,688,240 Tuition Total -\$ 4,893,951 Pell/Fed/Institution Grants -\$ 1,390,245 Existing Promise Grants \$ 2,404,044 Funding Gap (Last-Dollar)	<u>FY20</u> \$15,640,128 Tuition Total -\$ 5,290,430 Pell/Fed/Institution Grants -\$ 1,945,645 Existing Promise Grants \$ 8,404,053 Funding Gap (Last-Dollar)
<u>FY19</u> \$ 13,340,572 Tuition Total -\$ 7,632,656 Pell/Federal Grants \$ 5,707,916 Funding Gap (Last-Dollar)	<u>FY21</u> \$ 17,376,480 Tuition Total -\$ 9,787,902 Pell/Fed/Institution Grants -\$ 1,853,659 Existing Promise Grants \$ 5,734,919 Funding Gap (Last-Dollar)	<u>FY21</u> \$ 31,280,256 Tuition Total -\$ 10,567,069 Pell/Fed/Institution Grants -\$ 2,594,193 Existing Promise Grants \$ 18,118,994 Funding Gap (Last-Dollar)

FY	FY18	FY19	FY20	FY21
# of Students	1,461	2,923	5,047	7,171
Scholarships	\$2,851,676	\$5,707,916	\$16,516,013	\$29,561,829

*assumes no attrition

Appendix: Job Creation Post-Recession

Table 1.1. Jobs for those with a Bachelor's degree or higher have sharply rebounded, increasing by 8.4 million in the recovery, but jobs for those with only a high school diploma or less have not recovered, adding only 80,000 jobs in the recovery.

EDUCATIONAL ATTAINMENT	CHANGE IN EMPLOYMENT		
	RECESSION (Dec. 2007 to Jan. 2010)	RECOVERY (Jan. 2010 to Jan. 2016)	NET CHANGE (Dec. 2007 to Jan. 2016)
High school or less	-5,611,000	80,000	-5,531,000
Some college/Associate's degree	-1,752,000	3,089,000	1,337,000
Bachelor's degree or higher	187,000	8,424,000	8,611,000
Bachelor's degree	-66,000	4,656,000	4,590,000
Master's degree or higher	253,000	3,768,000	4,021,000
All	-7,176,000	11,593,000	4,417,000

Source: Georgetown University Center on Education and the Workforce analysis of *Current Population Survey* (CPS) data, 2007-2016.

Note: Columns may not sum due to rounding. Employment includes all workers age 18 and older. The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and smoothed using a four-month moving average.